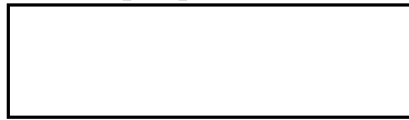


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BIWEEKLY REPORT

SINO-SOVIET BLOC ECONOMIC ACTIVITIES IN UNDERDEVELOPED AREAS

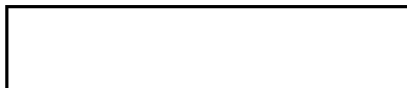
EIC-WGR 1/100

7 December 1959

PREPARED BY THE WORKING GROUP
ON SINO-SOVIET BLOC ECONOMIC ACTIVITIES
IN UNDERDEVELOPED AREAS

ECONOMIC INTELLIGENCE COMMITTEE

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These biweekly reports on "Sino-Soviet Bloc Economic Activities in Underdeveloped Areas" are prepared and issued by a Working Group of the Economic Intelligence Committee, including representatives of the Departments of State, the Army, the Navy, the Air Force, Commerce, and Agriculture; the International Cooperation Administration; the Office of the Secretary of Defense; and the Central Intelligence Agency. Their purpose is to provide up-to-date factual information on significant developments in the economic relations of Sino-Soviet Bloc countries with underdeveloped countries of the Free World. The EIC-R-14 series of reports, under the same title, provide periodic summaries and analytical interpretations of these developments.

**Printed and Disseminated by
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Summary of Events 20 November - 3 December 1959

India will receive a long-term credit of \$48.5 million under a new economic assistance agreement signed with Czechoslovakia on 24 November. Czechoslovak credits extended to India since 1955 now total \$75 million, and total Bloc credits to India are now \$772 million.

Several Soviet technicians have arrived in Nepal to assist in the survey of a new east-west road. Additional Soviet technicians are expected to arrive shortly to assist the Nepalese in the construction of a hospital, a hydroelectric plant, a sugar mill, and a cigarette factory.

The government of Burma is insisting on new changes on the three construction projects that the USSR is building in Burma. The Burmese wish to modify the facilities of the technological institute in Rangoon, convert the hotel in Rangoon to a government office building, and revise the plans for the hospital at Taunggyi.

A Soviet economic delegation of nine men has arrived in Addis Ababa to conduct negotiations with the Ethiopian government concerning implementation of the \$100 million Soviet credit that was granted during Emperor Haile Selassie's state visit to Moscow in July.

Poland and Czechoslovakia will participate in three new industrial projects in Argentina and Brazil. The Polish state corporation Cekop will build a sugar factory in Argentina, the Czechoslovak state corporation Technoexport will provide hydroelectric equipment for a powerplant now under construction in Brazil, and Polish technicians will put into operation the government caustic soda plant in Cabo Frio, Brazil.

The Minister of Commerce and Industry of Cyprus has informed the government of the US that barter agreements were signed in 1959 between his country and countries of the Bloc involving exports worth approximately \$3.8 million. This volume would represent approximately 10 percent of Cypriot exports in 1959 compared with 2 percent in 1958.

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The worldwide decline in 1958 in the prices of primary commodities was an important factor in the retardation of the rate of growth in the value of Soviet trade with underdeveloped countries that occurred in that year. Soviet imports in 1958 were only 9 percent greater in value than those in 1957, whereas the average annual rate of growth in the value of Soviet imports from 1955 to 1957 was more than 48 percent.

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